

REGIONAL REPORT – EGYPT – SEPTEMBER 2008



Project Management Update from Egypt

*By Ahmed Saleh Mokhtar
International Correspondent for PMForum & PM World Today
Cairo, Egypt*

PM Education News**Project Management Training Affected by Holly Ramadan Month?**

Traditionally, training activities in Egypt and the Muslim world are affected by the holly Month of Ramadan. This year, it seems that the project management training activities will be higher than usual in the last years. Amideast (www.amideast.org) announced that its PMP training program will continue in Ramdan also, but after the Iftar in the evening. "We are thinking to announce a second PMP course in parallel" Says Mr. Adam Radwan, Training Coordinator at Amideast. Mr. Mostafa El-Bakry, Chairman of Promastar (www.promastar.com) confirmed that Primavera training courses and, eventually, PMP courses shall continue unaffected in Ramadan. The PMI-MENA chapter announced also a PMP training course during Ramdan. PMI-MENA chapter, Promastar and Amideast are three of the 8 PMI'e Registered Education Providers (R.E.P) in the Egyptian market.

Ramadan, the month of Fasting, is the ninth month of the Islamic calendar. Islam uses a lunar calendar-that is, each month begins with the sighting of the new moon. Because the lunar calendar is about 11 days shorter than the solar calendar used elsewhere, Islamic holidays "move" each year. In 2008 Ramadan will most probably begin at sundown on Sept. 1. For more than a billion Muslims around the world-including some 8 million in North America-Ramadan is a "month of blessing" marked by prayer, fasting, and charity. This year Ramadan precedes Christmas and Hanukkah. But while in many places these holidays have become widely commercialized, Ramadan retains its focus on self-sacrifice and devotion to Allah (God).

Project Updates – News from some Important Projects

Overhaul plan for the Egyptian railway network

Egypt's railroad system, the oldest in Africa and the Middle East, has been operational since the early twentieth century. Despite upgrades to cope with usage demands, some trains have been operational since the 1952 revolution. But due to recent accidents, the Ministry of Transport (MOT) <http://www.egypt.gov.eg/> has started to work with world-class consultants like Bose and collaborate with Cairo University to come up with a suitable overhaul plan for the railway network. The budget for the overhaul is worth almost LE 7 billion (USD 1.3 billion).

The first three bids, all of which are related to railway crossing signaling control systems, are worth LE 120 million, and would take two to three years to complete.

Kuwait Funds Gas Project

Egypt will receive a \$70 million (LE 371 million) loan from the Kuwaiti Fund for Arab Economic Development (KFAED) to partially finance a project aimed at improving natural gas distribution networks.

The project agreement, signed on July 17, by representatives of both the Kuwaiti and Egyptian governments, outlines a plan to expand the use of natural gas in Cairo and Giza governorates in partnership with the Egyptian Natural Gas Holding Company.

The fund, chaired by Kuwait's Deputy Prime minister, Sheikh Muhammad Al-Sabah, has provided LE 9 billion in loans to Egypt since 1993.

Established in 1961, to distribute loans to both Arab and other developing countries, the fund focuses on projects in irrigation and agriculture, transport, communications, energy, industry, water and sewage

Red Sea Desalination Project

The Red Sea Governorate is rolling out LE 260 million worth of projects to expand its water resources.

With low rainfall and limited groundwater, Red Sea coastal cities rely on a combination of desalinated water and piped water from the Nile. Despite relatively small populations, water demand along the coast is growing rapidly as a result of agricultural demand and the rapid expansion of the region's heaviest water user: the tourism industry.

The project package being offered by the governorate is divided into two main categories. The first includes three desalination stations, one in Al-Qusair producing 100,000 cubic meters daily at an investment cost of LE 150 million and the second and third in Safaga and Hurghada, each of which will have a production capacity of 30,000 cubic meters at an investment cost of LE 35 million.

The second category of projects involves two underground pipeline network expansions. The first of these is on the Kureymat network, which passes via Ras Ghalib and will require an

investment of LE 30 million. The second will be an expansion of the pipeline network connecting Qena and Safaga, at a cost of LE 10 million.

The Red Sea is dotted with desalination units, private and state-owned, with the former usually attached to hotels and the latter serving population centers. The expansion of the tourism industry, the region's biggest money earner, is directly dependent on the use of desalination technology.

But despite the popularity of the technology, it is not without controversy: Effluent discharge from the units is considered highly damaging to marine ecosystems in the Red Sea, according to the United Nations Environment Program.

Renovation of Exhibition Grounds

The details of a \$300 million (LE 1.6 billion) tender for the renovation of exhibition grounds in Nasr City have been announced by the General Organization for International Exhibitions and Fairs (GOIEF).

The winning company will be responsible for implementing the development plan previously presented to Prime Minister Ahmed Nazif by GOIEF, as well as contracting private companies to carry out a number of sub-projects related to the construction of several hotels and administrative buildings.

The project will be implemented in two phases, which will include renovation and expansion of the exhibition halls. At present, exhibitors use only 20,000 square meters of the grounds' total area of 450,000 square meters.

It is expected the project will bring in some \$2.6 billion (LE 13.9 billion) in revenues, as well as creating 120,000 new jobs.

Sultana Malak Land Project

Talaat Moustafa Group (TMG) has announced the signing of a 50-year lease on a 19,589 square-meter piece of land with the Holding Company for Tourism and Cinema. The Sultana Malak land on the Luxor Corniche was the center of a controversial bidding war in April between TMG and the Qatari real estate investor Diar. The deal is said to be worth LE 830 million. TMG has won the right to build a 5-star hotel, as well as a Nile cruise ship, both to be managed by the prestigious Four Seasons hotel chain

Expnsion Projects at Juhayna

Celebrating its 25-year Silver Jubilee and projected 2008 revenues of LE 2 billion, juice and dairy producer Juhayna announced LE 450 million (USD 85 million) worth of expansion projects.

In a move towards forward integration, Juhayna is creating a LE 200 million distribution and marketing company called Teeba for Trade and Distribution. The new company will improve Juhayna's marketing and product distribution services through a fleet of 500 new transport vehicles.

A second project will see the introduction of Al-Enmaa for the Development of Agricultural and Livestock Wealth. The LE 250 million venture will focus on raising cattle for milk

production, with an annual target turnover of 50,000 tons of milk, 50,000 tons of organic fertilizer and 10,000 tons of feed.

Juhayna (<http://www.juhayna.com/>) is a market leader in packaged products and non-carbonated beverages, with a production capacity of 905,000 tons annually. Its 59 production lines manufacture 28 different products that are exported to 48 countries, including the United States, Japan, European Union and Gulf markets.



(Note: some of the topics included in the monthly report may already have been reported in a breaking news article during the last month.)



Ahmed Mokhtar
International Correspondent – Egypt
Based in Cairo



Ahmed Saleh Mokhtar, PMP is an International Correspondent for PMForum and *PM World Today* in Egypt. Mr. Mokhtar is also the Consultancy Director for Promastar, a Cairo-based project management advisory and training firm (since 1999). Ahmed has a BS in Engineering 1983 from Assuit University in Egypt and a Master degree in Construction Project Management 1991 from Hochschule Hidesheim/Holzminden University in Germany. With 23 years experience throughout the Middle East, he is a Charter member of the Egyptian Project Management Society (EPMS), a current member of the Project Management Institute (PMI) and a Member of the Management Engineering Society (MES). Additional information about Ahmed Mokhtar can be found at <http://www.pmforum.org/pm%20forum%20team/index.htm>. Ahmed is based in Cairo and can be contacted at asalelh@promaster.com.